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JUN 1 4 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Interconnection and Resale Obligations	)	
Pertaining to	)	CC Docket No. 94-54
Commercial Mobile Radio Services	)	

COMMENTS OF NEXTEL COMMUNICATIONS, INC.

NEXTEL COMMUNICATIONS, INC.

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Dated: June 14, 1995

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SUMMARY

Nextel Communications, Inc. ("Nextel") hereby submits these Comments on the Federal Communications Commission's ("Commission") proposal to impose mandatory resale obligations on all Commercial Mobile Radio Service ("CMRS") providers and its tentative conclusions that CMRS-to-CMRS interconnection and roaming obligations should not be mandated. Nextel supports these latter conclusions not to interfere with the marketplace. Given that the CMRS market is only just beginning to emerge, the players have not yet been identified, the Personal Communications Services ("PCS") auctions have only just begun, and the rules that will govern some CMRS services have not even been finalized, such marketplace interference would be premature.

A CMRS-to-CMRS interconnection mandate is further unnecessary because in an increasingly competitive CMRS marketplace, providers will arrange such interconnection when it is economical and/or beneficial. If a direct interconnection between two CMRS providers would result in a provider's ability to offer consumers better quality services at a lower cost, CMRS providers will choose to make the direct interconnection. Mandating such interconnection prior to determining its technical or economic feasibility will only result in less efficient and less effective services for the public. In light of the number of potential nationwide and wide-area providers, moreover, Nextel supports the Commission's proposal to preempt inconsistent state CMRS-to-CMRS interconnection requirements.

Roaming among CMRS systems, many of which will be employing differing technologies to provide various types of services will be a highly complex process -- one which the Commission has properly determined should not be mandated at this time. The questions surrounding the feasibility of CMRS roaming are not regulatory questions; they are technical questions. Among the challenges which must be addressed are overcoming differences among the many air interfaces that will be employed by CMRS licensees, development of dual mode and dual band handsets that are user-friendly, resolving interoperability issues around two mobility management protocols, IS-41 and GSM MAP, and moving away from the AMPS standard since it governs roaming among analog cellular technologies when digital technologies are being implemented. These issues should be resolved by an industry standards body.

Although correctly concluding that the emerging competitive CMRS marketplace does not require mandated CMRS-to-CMRS interconnection obligations or inter-CMRS roaming obligations, the Commission incongruously proposes to extend its cellular resale policy to all CMRS providers. The Commission mandated resale obligations in the past due to the existence of a bottleneck provider or a regulatory-created head-start by one licensee in a duopoly or limited competition market. Neither of these conditions exists in the CMRS marketplace.

The CMRS marketplace consists of a growing number of carriers offering a variety of products and services at competitive prices. These service offerings, moreover, will be offered on any number of technology platforms. New entrants in the CMRS marketplace will have the opportunity and incentive to develop new and innovative services that will compete against other CMRS providers. Moreover, this is a marketplace no longer subject to government-regulated rates and therefore, government-mandated rates of return. Without regulated rates, CMRS carriers will have the ability to price their services at competitive levels as additional competitors enter the market, thereby eliminating the need for resellers to cut into the regulated margin and drive prices down.

A mandated resale obligation is not only unnecessary in a competitive marketplace, but it will also have a detrimental effect on the market. A mandated resale obligation would act as a disincentive to carriers to develop new products. For example, a PCS provider would have no incentive to make significant investments in facilities, services, or technology if the Commission requires the new entrant PCS provider to give up its capacity to a reseller. Moreover, the value of the spectrum will be diminished as bidders lower their bids to account for the fact that they must provide their spectrum to parties who did not value it highly enough to participate in the auction. The only beneficiary of such a proposal would be the companies who choose <u>not</u> to invest in the infrastructure, acquire existing systems or participate in the Commission's spectrum auctions.

SMR systems would be particularly impacted by the imposition of resale obligations. For example, as Nextel migrates customers from its analog SMR systems to its digital wide-area systems, it must manage its spectrum use to assure sufficient capacity for existing analog customers while adding new digital customers. This transition of spectrum from analog to digital service requires a careful balancing of the capacity/frequencies required to serve existing analog customers, to launch the digital system, and to manage migration of spectrum from analog to digital use. Additional unexpected customers added to the system by a reseller could detrimentally affect Nextel's ability to operate its digital mobile systems.

The existing and future CMRS marketplace consists of numerous competitors, offering a number of services at competitive prices. Just as the Commission concluded that this eliminates the need for a switched-based resale policy, it likewise should conclude that these factors eliminate the need for mandated resale. Therefore, as Nextel asserts herein, the imposition of a resale obligation is not justified by the conditions in the CMRS marketplace, would discourage investment and innovation, and would de-value the spectrum assigned at auctions.

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COMMENTS OF NEXTEL COMMUNICATIONS, INC.

I. INTRODUCTION

Pursuant to Rule 1.415 of the Federal Communications Commission's ("Commission") Rules, Nextel Communications, Inc. ("Nextel") hereby files these Comments on the Second Notice of Proposed Rule Making ("SNPRM") in the above-referenced proceeding.1/ The SNPRM proposes new rules for governing interconnection among Commercial Mobile Radio Service ("CMRS") providers, roaming among various types of CMRS providers, and resale of wireless services. Nextel generally supports the Commission's conclusions on CMRS-to-CMRS interconnection and roaming; however, for the reasons stated herein, Nextel strenuously opposes the Commission's conclusion to mandate the resale of CMRS services.

II. BACKGROUND

Nextel is one of the largest providers of Specialized Mobile Radio ("SMR") and wide-area SMR services in the Nation. Nextel's

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1/ Second Notice Of Proposed Rule Making, CC Docket No. 94-54, FCC 95-149, released April 20, 1995.

wide-area SMR service offers customers mobile telephone, dispatch, short messaging, and other features to facilitate communications among mobile work groups, all in a single handset. To initiate these wide-area SMR services, Nextel has invested nearly three billion dollars in acquiring traditional analog SMR systems and reconfiguring them into low-power, low-tower digital systems. Nextel plans to complete this reconfiguration process throughout the Nation and provide a nationwide wireless service by the end of 1996.

III. DISCUSSION

A. Interconnection Among CMRS Providers

In the SNPRM, the Commission, while recognizing that CMRS-to-CMRS interconnection will enhance networks, concluded that it is far too premature to mandate CMRS-to-CMRS interconnection.2/ The CMRS market is only just beginning to emerge, the players have not yet been identified, the personal communications services auctions have only just begun, and the rules that will govern some CMRS services have not even been finalized.3/ The Commission does not yet know what differing technologies CMRS providers will employ, the economic and technical obstacles of such interconnection, nor

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2/ SNPRM at para. 29.

3/ *See* Further Notice of Proposed Rule Making, PR Docket No. 93-144, FCC 94-271, released November 4, 1994, wherein the Commission proposes to license wide-area SMR systems on a geographic-area basis, similar to the licensing process used for cellular and PCS. The Comment and Reply Comment periods have been completed, and the issues are still pending before the Commission.

the demand for it as CMRS providers identify and pursue divergent market niches.

A CMRS-to-CMRS interconnection mandate is particularly unnecessary to achieving a "network-of-networks," since all providers can interconnect with each other through the Public Switched Telephone Network ("PSTN"). The Commission has recognized the necessity of interconnection to the PSTN and has therefore concluded that local exchange carriers ("LECS") must provide interconnection to all CMRS providers on a nondiscriminatory basis.4/ Therefore, the customers of a CMRS provider will have the ability to reach the customers of any other CMRS provider. Mandated CMRS-to-CMRS interconnection is not necessary to achieve this goal.

Mandated CMRS-to-CMRS interconnection is also unnecessary because the marketplace will determine when direct interconnection is economically and technologically feasible. There may be technological aspects of two particular systems that made a direct interconnection more attractive than interconnecting through the PSTN.5/ At some point, moreover, the volume of traffic between two carriers may reach a level that makes a direct interconnection more economic and efficient for both carriers. When these conditions exist, CMRS providers will enter into such arrangements.

4/ Second Report and Order, 9 FCC Rcd 1411 (1994) at para. 230.

5/ For example, two digital-based operators may achieve better quality service through a direct interconnection rather than indirectly interconnecting through systems that use different technologies.

In the event that a CMRS carrier complains of discrimination with regard to direct CMRS-to-CMRS interconnection, the Commission has correctly concluded that such complaints should be reviewed under Sections 201 and 202 of the Communications Act.6/ These provisions require common carriers to offer such interconnection to all parties on just and reasonable terms on a nondiscriminatory basis. Reviewing a CMRS provider's interconnection decisions could reveal unjust discrimination, particularly if that provider has obtained sufficient power and position in the CMRS marketplace to deny interconnection for anti-competitive reasons.7/

Finally, it is imperative that the Commission preempt inconsistent state laws concerning CMRS-to-CMRS interconnection. As a nationwide carrier, Nextel will be providing service in a number of different states. Nextel will not be the only CMRS carrier offering service in numerous states. To ensure that CMRS carriers can provide a uniform, consistent service throughout the United States, the Commission should adopt its proposed federal policy that CMRS-to-CMRS interconnection should not be mandated, and it should preempt inconsistent state regulation.

6/ 47 U.S.C. Sections 201 and 202.

7/ The Commission, in making these interconnection determinations, should measure a carrier's market power in the overall CMRS marketplace, since interconnection will be occurring among all of the various CMRS carriers who will be competing with one another.

B. Roaming

In the same vein as its CMRS-to-CMRS interconnection proposal, the Commission concluded in the SNPRM that it is premature to impose any specific roaming obligations on CMRS licensees at this time.8/ The CMRS marketplace is likely to include numerous providers, operating on widely disparate frequencies, offering various types of services on a variety of technology platforms. This is in sharp contrast to existing cellular services, which employ the same or similar technologies on identical frequencies. Roaming among providers of the same service, pursuant to industry-developed compatibility standards,9/ is not as complicated a process.

The emerging CMRS marketplace, however, presents significantly more complex technological roaming issues. A roaming mandate in the CMRS marketplace would require the capability to roam among digital and analog systems, 800 MHz and 2 GHz systems, GSM technologies and AMPS technologies, TDMA and CDMA, etc. As new entrants join the CMRS marketplace, the roaming issue will become more and more complicated. Moreover, there is no certainty at this time which types of technology will actually be employed in the CMRS marketplace.

Thus, the Commission correctly concluded that mandated roaming is not an option at this time. While the development of roaming

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8/ SNPRM at para. 56.

9/ *See* Rule 22.915, which requires cellular licensees to meet certain "technical specifications for compatibility of mobile and base stations. . ."

among different technologies may present substantial technological hurdles, they are not insurmountable. Roaming technology will likely be developed when and where it is economically feasible to do so. Thus, by not mandating roaming at this time, the Commission is allowing the marketplace to determine the most effective and efficient methods for roaming.

The questions surrounding the feasibility of CMRS roaming are not regulatory questions; they are technical questions. Given the phenomenal cost and complexity of cross-service roaming, Nextel believes that the issue is more appropriately considered in the context of an industry standards body. Among the challenges which must be addressed are (1) overcoming differences among air interfaces, *e.g.*, iDEN, CDMA, TDMA, GSM, PCS 1900 (GSM-based), PACS, etc; (2) development of dual mode and dual band handsets that are user-friendly; (3) resolving interoperability issues around two mobility management protocols, IS-41 and GSM MAP; and (4) moving away from the AMPS standard since it governs roaming among analog cellular technologies.10/ The Commission should encourage industry standards bodies to develop the technical tools that make CMRS roaming feasible. Once such tools are available, the CMRS

10/ Nextel believes that adoption of the AMPS standard for CMRS roaming would be contrary to the Commission's mission of encouraging new and improved technologies. By imposing the AMPS standard on the CMRS marketplace, the Commission would be encouraging continued use of analog cellular technologies -- at a time when digital technologies are emerging. It is the new, more efficient digital technologies that should be encouraged by the Commission's rules. Further, Nextel does not have sufficient spectrum to employ the AMPS standard. Nextel does not have access to contiguous spectrum or to 30 kHz channels. At this time, there is no 25 kHz AMPS standard for SMR channels.

providers will be able to implement roaming if and when market-based demands appear.

The answer to the Commission's query about whether roaming requires a physical interconnection has no simple answer. Theoretically, no physical interconnection is required; practically, a physical interconnection is necessary to prevent fraud. Roaming could occur without physical interconnection, but the carrier would not be able to authenticate that the user is permitted to make a call and therefore would not be able to ensure that it will receive compensation for system usage. Thus, for business purposes, direct physical interconnection will be employed among CMRS carriers.

Access to database information is likewise a necessity of providing roaming. However, the extent of the carrier's access depends on the extent of the functionality to be provided roaming customers. Nextel agrees with the concerns raised by BellSouth that any requirement to unbundle access or interconnection to intelligent network services will eliminate the ability of providers to differentiate their products and service offerings.11/ If providers are permitted to access the advanced features of another carrier, CMRS providers will be discouraged from offering their own advanced services to consumers. Under these circumstances, there would be no incentive to develop innovative services if they are simply going to be used by every

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11/ *See* SNPRM at para. 50.

other carrier in the market. This is not in the public interest as it would discourage new service offerings for consumers.

C. **Resale**

1. Mandated Resale Obligations Are Not Necessary In a Competitive Marketplace.

The Commission initially imposed resale obligations in a wireless marketplace that, by regulatory mandate, consisted of only two licensees per market -- one of which had been provided a significant regulatorily-created headstart. The Commission, therefore, viewed mandatory resale obligations as a necessary vehicle (1) to increasing competition in this Commission-created facilities-based duopoly, and (2) to permitting the later-authorized cellular licensee an opportunity to "catch up."12/ Now, the Commission is querying whether a mandated resale obligation is equally necessary in the broader CMRS marketplace, which consists of numerous potential competitors, all of which are new entrants except for the cellular licensees.

The Commission mandated resale obligations in the past due to the existence of a bottleneck provider in the market or on the need to eradicate the advantages of a "head-start" for one of the duopoly licensees in a market. Because there is neither a

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12/ Pursuant to the Commission's cellular resale obligation, the wireline cellular licensee was not allowed to place restrictions on the resale of its service by the non-wireline, later-authorized cellular licensee in the same market. This obligation to permit resale by the facilities-based competitor in the same market, however, expired after five years -- a time period the Commission concluded was sufficient for the non-wireline cellular operator to be providing service on its own facilities.

bottleneck nor a head-start in the CMRS marketplace, there is no justification for imposing resale obligations on CMRS providers. No CMRS licensee controls a bottleneck and none have been granted a regulatory-derived "head-start."

The CMRS marketplace includes a growing number of carriers offering a variety of products and services at competitive prices. These service offerings, moreover, will be offered on any number of technology platforms. New entrants in the CMRS marketplace will have the opportunity and incentive to develop new and innovative services that will compete against other CMRS providers.13/ Moreover, this is a marketplace no longer subject to government-regulated rates and therefore, government-mandated rates of return.14/ Without regulated rates, CMRS carriers will have the ability to price their services at competitive levels as additional competitors enter the market. The decrease in prices among CMRS competitors will likewise decrease the margin that, up until now, resellers have been able to exploit.15/

13/ In light of the potentially competitive CMRS marketplace, Nextel argues that a resale obligation will not be necessary for any CMRS providers once the market has become fully competitive. In contrast to the Commission's proposal to extend the resale obligation, the Commission should be considering a phase-out of the obligation as it applies to existing cellular carriers.

14/ *See, e.g.*, Report and Order, PR Docket No. 94-105, FCC 95-195, released May 19, 1995, denying the Petition of the State of California to Retain State Regulatory Authority over Cellular Rates.

15/ Essentially, the resellers are attempting to get the Commission to do for them what the market will not -- provide a profit for resellers. In a competitive market with a decreasing profit margin (and no state-regulated/mandated rates of return), (continued...)

Not only is a resale obligation unnecessary in a competitive CMRS marketplace, but it is also contrary to the Commission's goals in allocating and auctioning 2 GHz PCS spectrum and creating a new family of PCS services. The Commission allocated spectrum for PCS to encourage the development of new and different wireless services. A mandated resale obligation would act as a disincentive to develop new products and services while acting as an incentive to clone existing services. A PCS provider which resells, for example, cellular services while building out its own PCS system may be encouraged to develop a cellular-like service since that is the service with which their customers will have become accustomed.

Similarly, that PCS provider has no incentive to make significant investments in facilities, services, or technology if the Commission is going to require the new entrant PCS provider to give up its capacity to a reseller. Moreover, the value of the spectrum will be diminished as bidders will account for the fact that they must provide spectrum to parties who clearly did not value it highly enough to participate in the auction. The purpose of auctions is to ensure that the spectrum is assigned to the party who places the greatest value on it -- not a secondary (reseller) market dependent upon the investment of others.

15/ (...continued)
resellers will have no ability to compete with facilities-based carriers unless the Commission mandates facilities-based carriers to offer up their capacity for the use of resellers. Thus, in essence, the Commission is proposing herein a regulatorily-created artificial resale market.

2. Prohibiting Restrictions On Resale Is Not Practical Or Feasible In A Marketplace With A Variety of Technologies And Service Offerings.

After investing the time, money and efforts necessary to create a new wireless telecommunications system, the new entrant must be given the opportunity to sell its own services and begin the process of recovering its investment. Resale, in contrast, reduces the CMRS carrier's ability to recover its investment because it requires the carrier to provide capacity to a reseller who has not made any investment, participated in any auction, or taken any risk. Thus, obligating carriers to permit resale would act as a disincentive to the entry of new facilities-based carriers.

Under a mandated resale regime, potential CMRS carriers may be incented to simply resell someone else's capacity rather than invest in and construct its own systems.16/ Allnet Communications Services, Inc. ("Allnet") argues that the decision to resell rather than invest in infrastructure may be in the public interest. Allnet claims that a reseller, in choosing to resell rather than invest in its own system, may be making an economic decision that more capacity is not needed.17/ This argument, however, is refuted by the Commission's ability to raise billions

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16/ Time Warner and MCI, for example, were once considered leading potential PCS players. However, they have opted not to participate in the PCS auctions and invest billions in infrastructure and licenses. Rather, they are now pushing the Commission and Congress for resale obligations to ensure that they can simply use the capacity of others to resell wireless telecommunications services.

17/ SNPRM at para. 91.

of dollars in PCS auctions. The reseller's decision to resell is not based on the conclusion that the market does not need more capacity; more likely, the decision is based on a conclusion that it is much less expensive to provide service using someone else's capacity than to make the capital investment in your own capacity. Thus, the Commission's rules, as proposed herein, would discourage the investment and innovation that are so critical to the CMRS marketplace.

Some of the comments addressed in the SNPRM, while arguing for the imposition of resale obligations, actually provide the best empirical evidence for not mandating resale. Their arguments implicitly admit that they are not willing to invest in the infrastructure necessary to provide consumers new and improved services. Rather, as Pacific Bell argues, they plan to resell the capacity of others -- after those other parties have made the investment.18/ This result is contrary to a competitive marketplace in that it will discourage the construction and implementation of new systems and services. To be forced to give away much-needed capacity -- particularly in the early stages of operation when a company is attempting to earn a return on its enormous initial investment -- will simply discourage development and result in fewer new products and services to the public. In the long run, mandated resale will have a serious detrimental effect on the CMRS marketplace by reducing the choices and price competition the Commission anticipates.

18/ *See* SNPRM at para. 75.

3. Nextel's System and Services Would Be Particularly Burdened By Mandated Resale Obligations.

For a wide-area SMR provider attempting to convert analog SMR systems to digital mobile systems, ensuring sufficient capacity for both existing analog and new digital customers is very important. As Nextel migrates customers from its analog SMR systems to its digital wide-area systems, it is imperative that it have sufficient capacity to balance the migration of analog customers while adding new digital customers. This transition of spectrum from analog to digital service requires a careful balancing of the capacity/frequencies required to serve existing analog customers, to launch the digital system, and to manage migration of spectrum from analog to digital use.

As a new provider, just in the system implementation stage, Nextel also must maintain control over the system and its users in order to optimize the services provided on the system. Optimization requires significant contact with customers as the system is fine tuned, including managing capacity and the use of system resources by particular customer's communications patterns. Nextel cannot maintain the control required by the optimization process if it is forced to allow resale of its services and capacity to customers with whom it has no direct contact. Even without a resale obligation, balancing these demands is a difficult task.

If Nextel were forced to give up capacity to a reseller, it could create significant problems for the operations of its SMR systems since there could be insufficient capacity to effectively establish digital service, serve existing analog customers, migrate customers to the new digital services and provide a reseller with capacity.19/ Moreover, Nextel must have the capability to manage the growth of its services. Additional, unexpected customers added to the system by a reseller could detrimentally affect Nextel's ability to operate its digital mobile systems.

The resale of Nextel's services, moreover, raises certain technological and corporate/proprietary issues. Nextel's service is a unique combination of wireless telecommunications services which require customer education and training by Nextel personnel who are experts in the use of the product. To allow a reseller, without the appropriate knowledge, training and experience, to sell Nextel's services could jeopardize their successful entrance into the marketplace.20/ A carrier that has made the entrepreneurial investment to provide new and innovative services should not be

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19/ In the Fleet Call Waiver Order, the Commission recognized the potential hurdles of migrating customers from analog to digital systems, but the Commission also recognized that Fleet Call "has no logical incentive to jettison thousands of current system users." In the Matter of Request of Fleet Call, Inc. For Waiver and Other Relief To Permit Creation of Enhanced Specialized Mobile Radio Systems in Six Markets, 6 FCC Rcd 1533 (1991) at para. 33. To avoid "jettisoning" customers, Nextel must be permitted to manage the use of its capacity for the benefit of existing and future customers.

20/ Similarly, a number portability requirement would impose significant technical problems for Nextel and other CMRS providers. While number portability will enhance wireless telecommunications services, this is not the appropriate forum for its inclusion. Number portability is already being considered by industry standards bodies -- the appropriate forum for such a complex and technical issue. Therefore, the Commission should allow the industry groups to complete their study of number portability and eliminate the issue from consideration herein.

required to surrender control of system capacity when that capacity may be imperative to the successful implementation of its business plan, particularly during the initial optimization period. Although this consideration did not apply in the early years of the duopoly cellular industry, it is important to the creation of a diverse CMRS marketplace.

As an SMR provider, Nextel also faces additional hurdles given the co-channel use of SMR frequencies. The necessity to constantly monitor and assure that Nextel's operations are not interfering with co-channel users presents additional challenges not faced by other CMRS licensees which are operating on contiguous blocks of channels assigned for their exclusive use and further militates against a mandated resale requirement. A wide-area SMR operator must carefully manage control channel selection and capacity, programming of "talk groups" and the migration of customers from analog to digital to operate an efficient system. Mandated resale threatens this ongoing dynamic process.

Nextel has invested significant time, money and effort in creating an innovative and advanced wireless telecommunications package of services. The public interest would not be served by requiring Nextel to open these advanced services to carriers who have made no investment, conducted none of their own research and development, and made no effort to implement their own innovative services.

4. <u>The Commission Properly Concluded That Switch-Based Resale Should Not Be Mandated.</u>

For the same reasons stated above, switch-based resale should not be mandated in the CMRS marketplace. Not only is it not necessary in a marketplace of numerous providers, competing at prices that provide little margin, but switch-based resale also raises a number of technological issues, particularly on Nextel's system where many of the functionalities are based on the integration of the infrastructure. For example, the dispatch side of Nextel's system must balance loading and usage factors, *i.e.*, the number of cell sites used for a work group call. Thus, a reseller who does not sell to and implement service with the proper profile for the Nextel system, could cause significant operational and financial problems. These system-specific attributes make switch-based resale very complex.

If the Commission can conclude that the market is sufficiently competitive to eliminate the need for switch-based resale, Nextel would argue that the market is sufficiently competitive to eliminate the need for <u>any</u> resale obligations. Both resale obligations are fraught with technical and other complexities, both will increase the cost to the CMRS licensee, both will motivate parties to use others' capacity rather than investing in their own systems, and neither is necessary in a competitive market with numerous providers offering a wide variety of services to the public.

IV. CONCLUSION

In this proceeding, as in all proceedings in which the Commission is placing new duties and obligations on CMRS carriers, the Commission must bear in mind the genesis of the obligation being imposed on CMRS carriers. The resale obligation which the Commission proposes to mandate herein arose in a duopoly market with little competition. This duopoly market allowed for a large margin which could be exploited by resellers, thereby benefitting the consumer with lower prices.

In contrast, the existing and future CMRS marketplace consists of numerous competitors, offering a number of services at competitive prices. The margins that once existed are evaporating and will only continue to do so with the elimination of rate regulation at the state level. Instead of benefitting the consumer with lower prices, mandated resale could actually result in an artificially high margin to enable resellers to profit on their sales. Artificially high prices certainly are not in the public interest.

The CMRS marketplace is a new and evolving industry. Although the Commission has correctly concluded in other proceedings that the CMRS marketplace will be competitive, neither the Commission nor the industry knows who the players will be, what types of services they will provide, or what varieties of technology platforms they will employ. The CMRS marketplace is a new and different market that does not necessarily require the application of each and every duty and obligation that was imposed on previous monopoly and duopoly providers. The Commission correctly recognized this in concluding that CMRS-to-CMRS interconnection and roaming should not be mandated. For the reasons stated herein, therefore, Nextel respectfully opposes the Commission's tentative conclusion to extend the cellular resale obligation to all CMRS providers.

Respectfully submitted,

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Dated: June 14, 1995

CERTIFICATE OF SERVICE

I, Rochelle L. Pearson, hereby certify that on this 14th day of June, 1995, I caused a copy of the attached Comments of Nextel to be served by hand delivery to the following:

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